



STATE OF TENNESSEE  
**DEPARTMENT OF COMMERCE AND INSURANCE**  
Financial Affairs Section / Analytical Unit 0576  
Third Party Administrator Licensing  
500 James Robertson Parkway, 4<sup>th</sup> Floor  
Nashville, Tennessee 37243  
(615) 741-7520

**WORKERS COMPENSATION  
THIRD PARTY ADMINISTRATORS (“TPA”)  
LICENSING PACKET**  
**for Employers and/or Pools that Self-Insure  
pursuant to Tenn. Code Ann. § 50-6-405(b) and (c)**

**APPLICATIONS, FORMS  
SHALL BE MAILED TO THE FOLLOWING ADDRESS:**

Joe Walker, TPA Analyst  
Tennessee Department of Commerce and Insurance  
Financial Affairs Section / Analytical Unit 0576  
500 James Robertson Parkway, 4<sup>th</sup> Floor  
Nashville, Tennessee 37243

**Workers' Compensation – Third Party Administrators (“TPA”) Licensing  
Packet for Employers and/or Pools that Self-Insure pursuant to  
Tenn. Code Ann. § 56-6-405(b) or § 50-6-405 (c)**

**Tenn. Comp. R. & Regs. 0780-1-81 (2005) – Administration of Self Insurance Workers' Compensation Programs by Single Employers or Pools**

- 0780-1-81-.01 Purpose and Scope
- 0780-1-81-.02 Definitions
- 0780-1-81-.03 Written Agreement Necessary
- 0780-1-81-.04 Payment to Third Party Administrator
- 0780-1-81-.05 Maintenance of Information
- 0780-1-81-.06 Responsibilities of Employer or Pool
- 0780-1-81-.07 Collection of Monies and Payment of Claims
- 0780-1-81-.08 Disclosure of Charges and Fees
- 0780-1-81-.09 Certificate of Authority
- 0780-1-81-.10 Grounds for Denial, Suspension, or Revocation of Certificate of Authority

**Requirements for requesting a NEW Workers' Compensation TPA License**

The application shall include the following information and documents:

1. Administrator Application Form
  - Must include the contact person's name, email address and phone number.
  - Must bear original signature(s) and notarization.
  - Must bear the street address of the applicant; a post office box is not acceptable.
2. Basic Organizational Documents of the Applicant
  - Including, but not limited to, articles of incorporation, articles of association, partnership agreement, trade name certificate, pool agreement, shareholder agreement and other applicable documents and all amendments to such documents. If the above documents do not apply to your organization, you must address this in your submission and include only the applicable documents.
  - Must be certified by the Secretary of State, in the state of domicile.
  - Must bear the original certification (not a photocopy).
  - Must be in the name of the applicant.
  - If applicant is a partnership, the articles of partnership or partnership agreement may be substituted.
3. Documents Regulating the Internal Affairs of the Applicant
  - Including, but not limited to, bylaws, rules, and regulations

4. Biographical Affidavits
  - Required for all individuals who are responsible for the conduct of affairs of the applicant including, but not limited to, all members of the board of directors, board of trustees, executive committee or other governing board or committee, the officers in the case of a corporation or the partners or members in the case of a partnership, association or limited liability company, any shareholders or member holding directly or indirectly ten percent (10%) or more of the voting stock, voting securities or voting interest of the applicant, and any other person who exercises control or influence over the affairs of the applicant.
  - Must be on National Association of Insurance Commissioners (“NAIC”) approved biographical affidavit form located at [[http://www.naic.org/industry\\_ucaa.htm](http://www.naic.org/industry_ucaa.htm), “NAIC Biographical Affidavit” links].
  - Must be completed in their entirety.
  - Must bear original signature(s) and notarization.
5. Written Administrative Services Agreement with Employer and/or Pool
  - Must be executed by the TPA and Employer and/or Pool.
  - Must contain the provisions of Tenn. Comp. R. & Regs. 0780-1-81-.03 through 0780-1-81-.08. Compliance with each of these rules must be clearly denoted by the applicant within the written agreement (annotation within the document margin is preferred). If any of these rules do not apply to the applicant, the applicant must include a written statement explaining why the rule does not apply. The rules may be incorporated by reference in your service agreement(s) by amending them to state that the parties agree to abide and be bound by all rules as described in Tenn. Comp. R & Regs, 0780-1-81 (2005), Tenn. Code Ann. §§ 5-0-6-405 (b). 50-6-405 (c) and 50-6-405(h) and any amendments thereto. In addition to stating:

*The employer or pool shall own the records generated by the third party administrator pertaining to the employer or pool, however the third party administrator shall retain the right to continuing access to books and records necessary to permit the third party administrator to fulfill all of its contractual obligations to employers or pools. Nothing in this Paragraph shall restrict the ability pf a third party administrator to make copies of documents in their possession after the termination of their agreement with the employer or pool.*

**This must appear in every service agreement or every item must be addressed.**

6. Two (2) years of Audited Financial Statements for the most recent fiscal years.
  - If audited statements are not available, we will accept attested statements for the previous two most recent years financial reports, with the stipulation that the organization will provide an audited financial statement going forward. If we do not receive the audited financial statement within six (6) months after your fiscal year, the license will be canceled. The acceptance of attested statements for existing applicants and new applicants that apply is for one year. The applicant will provide an audited financial statement every year in addition to other required documents to maintain a Workers’ Compensation TPA license in this state.
  - If the applicant includes financial statements or reports, certified by an officer. If attested, the attestation must include an original signature and refer to the financial statements by date. (i.e., “balance sheet and income statement for the period ending

December 31, 2005”). These financial statements must be prepared in accordance with Generally Accepted Accounting Principals (“GAAP”), for any completed years, and for any month during the current year for which such financial statements have been completed. An audited financial/annual report prepared on a consolidated basis shall include a columnar consolidating or combining worksheet that shall be filed with the report and include the following:

- Amounts shown on the consolidated audited financial report shall be shown on the worksheet;
- Amounts for each entity shall be stated separately; and
- Explanations of consolidating and eliminating entries shall be included. The applicant shall also include such other information as the Commissioner may require in order to determine the current financial condition of the applicant.

7. Statement of Business Plan

- A statement must be prepared including information on staffing levels and activates proposed in this state and nationwide. The plan shall provide details setting forth the applicant’s capability for providing a sufficient number of experienced and qualified personnel in the areas of claim adjustment, claims processing, record keeping and underwriting recommendations.

Pursuant to Tenn. Comp. R. & Regs. 0780-1-81 -.09 (6) “A certificate of authority or license issued under this Chapter shall remain valid, unless surrendered, suspended or revoked by the Commissioner, for a period of one (1) year.” It is the applicant’s responsibility to submit a complete and acceptable renewal application prior to the expiration date. **Said renewal application must be received and approved by this office prior to the expiration date. There will be no exceptions or extensions given to submit the renewal application.**

**IMPORTANT: NO RENEWAL REMINDER NOTICES WILL BE SENT.**

**Requirements for requesting a Renewal Workers’ Compensation TPA License**

The renewal application shall include:

1. Letter of intent to renew with contact person, email address and phone number.
2. Financial Statements
  - Must show a positive net worth.
  - The Commissioner reserves the right to only consider assets that would be admitted by the NAIC’s Accounting Practices and Procedures Manual when evaluating an applicant’s financial statement.
  - Audited Financial Statements must be audited by a qualified Certified Public Accountant (“CPA”)
  - All audits must be in the exact name of the applicant, or if consolidated statements, must state separately the amounts of the applicant.
3. Any and All Amendments to the Previous Workers’ Compensation TPA Filings
  - Any ownership change, new address, management or director change must be disclosed at this time.
  - Original NAIC biographical affidavits as described above are required for any new officers/directors.





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500 James Robertson Parkway, 4th Floor  
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**LICENSE APPLICATION FOR A THIRD PARTY ADMINISTRATOR ("TPA")  
OF SELF INSURANCE WORKERS' COMPENSATION PROGRAMS  
BY SINGLE EMPLOYERS OR POOLS**

On behalf of \_\_\_\_\_, a  
(Name of Person, Company, Corporation, Partnership, Association or other Legal Entity)

\_\_\_\_\_ with its principal office located at:  
(Individual, Corporation, Partnership or Association)

\_\_\_\_\_  
(Street Address) (City) (State) (ZIP)

and Tennessee office of : \_\_\_\_\_  
(Street Address) (City) (State) (ZIP)

I hereby apply for a TPA License authorizing and empowering the above entity to act as a TPA pursuant to Tenn. Comp. R. & Regs. 0780-1-81 (2005).

Contact Person Information	
Name:	
Address:	
City, State, Zip Code:	
Phone Number:	
E-Mail Address:	

FURTHERMORE, I hereby certify that:

1. The applicant has a current written agreement between the TPA and any single employer or pool in which the applicant performs TPA services. Such written agreement shall be retained as part of the official records of both the single employer or pool and the TPA for the duration of the agreement and five (5) years thereafter;
2. The written agreement shall contain provisions including the requirements of Tenn. Comp. R. & Regs. 0780-1-81-.03 through 0780-1-81-.08;
3. The TPA agrees to abide by all requirements of Tenn. Code Ann. sections and Tenn. Comp. R. & Regs. 0780-1-81;
4. The applicant has not had a previous application for any license denied for cause within the past five (5) years;
5. The applicant has not had any professional, vocational or business license denied, suspended, revoked or restricted by any public authority in this or any other state, nor has such license been subjected to a monetary fine by any public authority or been withdrawn or surrendered to avoid disciplinary action;
6. The applicant has not had any judgment rendered against it in any court of any jurisdiction of the United States for its activities relating to the transaction of business as an administrator;
7. The applicant has not been declared insolvent or discharged from bankruptcy within the past five (5) years;
8. None of its officers and directors have been convicted in a criminal proceeding (excluding minor traffic violations) within the past ten (10) years;
9. The applicant has not had an employer or pool terminate a TPA services agreement for any financial reason other than non-production;
10. The applicant agrees to provide a client list upon application and upon subsequent renewals.

\_\_\_\_\_  
(Signature) (Title)

Subscribed and sworn before me, this \_\_\_\_ day  
of \_\_\_\_\_, 20\_\_\_\_

(Seal required)

\_\_\_\_\_  
(Notary Public)  
My commission expires \_\_\_\_ of \_\_\_\_\_, 20\_\_\_\_.